



# School Business Alert

January 2017

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## FINANCIAL

### Explanation of January 2017 Juvenile Home and Other Deductions from State Payments to School Districts

A deduction is being made for the cost of certain programs that are paid "off the top of state aid." This deduction, which occurs every year, is for the cost of educational programs for children in the state training school, mental health institutes, other licensed juvenile and foster care facilities, or special education costs for foster care children with no resident district and district court placed children. As required by Iowa Code, the cost of these programs is distributed to all school districts based on each district's budget enrollment (line 1.1 of the Aid and Levy Worksheet). The deduction starts in January and will continue through the rest of the year. These deductions reduce cash flow, but have no impact on your general fund spending authority. Go to the [State Payment Information FY17](#) screen for an updated breakdown of categorical funding.

Questions regarding this deduction can be directed to [John Parker](#), Department of Management or 515-281-8485.

## GENERAL INFORMATION

### 2017 Legislative Session Begins

The 2017 legislative session began Monday, January 9. There are various resources available to access information related to any action taken or progress made by the Legislature:

[Department of Education's Legislation Tracking Tool](#)

[Department of Education's Legislative Information Page \(including legislative reports\)](#)

[Iowa Legislature Web Site](#)

[Iowa Code](#)

[Iowa Administrative Code \(also called Iowa Administrative Rules\)](#)

Shan Seivert is the policy liaison representing education issues for the Department. For further information on legislative issues, contact [Shan Seivert](#) or 515-281-3399.

## School Budget Review Committee Meeting

The School Budget Review Committee (SBRC) met in regular session to hold hearings on December 13. In this session, the Committee discussed balances in school districts' General Funds, reviewed lists of late filers for Certified Enrollment, the Facilities, Elections, and SAVE Report, and the School Association Report, and set the fiscal year 2017-2018 Hearing Session Schedule. The Committee directed the Department to distribute the transportation assistance to eligible districts on an equitable basis, and approved modified supplemental amounts for eligible districts for the increased enrollment application, the open enrollment out application, the limited English proficiency (LEP) beyond five years of weighting application, and the excess costs of providing an LEP program application. The Committee reviewed area education agency (AEA) and district special education balances and approved modified supplemental amount for eligible districts with deficit balances. No change was made in special education weightings. The Committee took action on a district making an interfund transfer due to closing enterprise funds with deficit balances, accepted corrective action plans for districts and AEAs that were late filing financial reports, approved modified supplemental amount for one district, denied one district, and tabled requests for three other districts related to their corrective action plans for negative unspent balances. Contact [Su McCurdy](#).

## Medicaid

### Reminder to Double-Check Billing of Dates of Service for Late December 2016 and Early January 2017

It is important to double-check that dates of service being billed were definitely dates when school was in session. For example, there should be no billing during holiday breaks, or when school was cancelled due to weather or other reasons. If billing for services provided by another district who is serving your student, make sure to check the school calendar of the other district.

### Private Duty Nurses

If your district participates in Medicaid, paid for any private duty nurses during the 2015-2016 year, and have yet to report that information, please contact the Department with the hours and dollars paid for these individuals.

### Rate Setting for 2017-2018

Some districts have been contacted to clarify employee cost information on Screen 6, section 6D of the 2015-2016 Special Education Supplement (SES). These employee costs are the basis for Iowa Medicaid Enterprise setting 2017-2018 rates.

### Consider a 2017 New Year's Resolution to Start Billing

Fifty-six of the 72 school districts that did not bill Medicaid in FY16 ended FY16 with a special education deficit. Is your district one of the 72 that did not bill Medicaid? For districts that had a special education deficit, Medicaid funding would have reduced dollar-for-dollar the need for additional property taxes to support the special education program. For districts that had a special education positive balance, the positive balance would have increased. If a positive balance increases to an amount in excess of the allowable carryover, the excess is distributed to other districts in the state that had special education deficits, and the excess property taxes are returned to the taxpayers in the district.

### Document Request

Iowa Medicaid's Payment Error Rate Measurement (PERM) project for federal FY17 will begin soon. Your district or AEA may receive a request for documentation supporting a paid Medicaid claim. If selected, the district or AEA will receive a phone call from the contractor asking who should be faxed the document request. If your district or agency is selected, Jim Donoghue will contact you and offer to help. After receiving the request, you have 75 days to submit the requested documents.

For questions, contact [Jim Donoghue](#) or 515-281-8505.

## New Policy Requirement – National School Lunch Program and School Breakfast Program

Each district or school participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) is required to develop a policy for meal charges for implementation July 1, 2017, or before.

Memo 46-2016 identifies requirements for a written document explaining how the School Food Authority (SFA) will handle situations where children eligible to receive reduced price or paid meals do not have money in their account or in hand to cover the cost of their meal at the time of service. Additionally, SFAs must ensure the policy is provided in writing to all households at the start of each school year and to households transferring to the school or school district during the

school year. If you are starting from scratch or looking to revise your policy there are many details. We have listed a few to consider and some additional resources at <https://www.educateiowa.gov/pk-12/nutrition-programs/national-school-lunch-program>. Contact [Ann Feilmann](#), 515-281-4757

## Iowa School Business Management Academy

The Iowa School Business Management Academy will hold its Spring Academy on May 10-12, 2017, in the Scheman Building at the Iowa State Center in Ames. Sessions for Levels I-IV will be held over the three days, with the Graduate Level sessions held on May 11 and 12. Online registration will begin at 7 a.m. on Friday, March 24.

## CODING CORNER

### Teacher Leadership and Compensation - Open Enrollment

The Department continues to get questions about coding open enrollment for Teacher Leadership and Compensation (TLC). Below are specific rules.

- TLC only follows the student in the case of open enrollment. It does **not** follow tuition-in situations.
- The district receiving the open enrolled student will bill the sending district at the sending district's rate. The document [TLC Accepted Districts by Year](#), which is posted on the [Teacher Leadership and Compensation System](#) webpage, should be consulted prior to billing the district. Districts in Year/Cohort 1 and Year/Cohort 2 will be billed at \$312.68 per pupil this year and districts in Year/Cohort 3 will be billed at \$312.16 per pupil. In FY18, all districts will be receiving TLC through the State Aid formula and the billing amount will be the same for every district.
- The project code must be attached to all payments and revenues.
  - When paying TLC for an open enrolled out student use Function 1000, Program 100, Project 3387 (Year/Cohort 3 grant-funded districts) or 3116 (Year/Cohort 1 and Year/Cohort 2 State Aid-funded districts), and Object 567.
  - When receiving TLC for an open enrolled in student use Source 1323 and Project 3387 (Year/Cohort 3 grant-funded districts) or 3116 (Year/Cohort 1 and Year/Cohort 2 State Aid-funded districts).
- The Special Education billing program does not have the capability of billing for TLC. This will need to be done outside of the system.
- Remember, when the district moves from the first year of grant funded to the second year of State-Aid funded TLC and is carrying forward a restricted fund balance for Project 3387, this funding must be used before using the newer funding in Project 3116.

Contact [Denise Ragias](#), 515-281-4741 or [Janice Evans](#), 515-281-4740.

### Open Enrollment Transportation Assistance for 2016-2017

The transportation reimbursement for the 2016-2017 school year for qualifying open enrolled families is \$480. Transportation assistance is only available to families who open enroll between contiguous districts. The cost of transportation reimbursement incurred by the resident district should be deducted from the tuition sent to the receiving district. For students with an individualized education program (IEP) requiring transportation, resident district pays as special education cost and is not deducted from the actual tuition costs. If the application for transportation assistance is filed after the beginning of the school year, the cost of providing the transportation should be prorated. If a parent/guardian qualifies for school transportation assistance, the resident district has the authority to determine how the transportation assistance will be provided. The type of transportation assistance is not a parent/guardian choice. The resident district may meet its statutory obligation in one of three ways:

1. Provide transportation for the pupil(s) to a stop on the bus line of the receiving district;
2. Allow the receiving district to enter the resident district to pick up the pupil(s) if the receiving district requests this arrangement. If either the sending or receiving district does not approve the arrangement, the resident district is still obligated to provide transportation assistance;

3. The resident district may provide a parent/guardian with a cash reimbursement at \$480 per child each year for up to four children in a family. The maximum number of children can include only one secondary child and up to three elementary children.

Income guidelines can be found in the [Open Enrollment Handbook](#) on the Department's website. For additional information, contact [Eric Heitz](#) or 515-281-4726.

## UPCOMING DEADLINES

Due Date	What's Due
Feb. 1	Last Date to Request Authority to Charge Administrative Costs to Special Education for the Subsequent Fiscal Year
Feb. 10	AEA Certified Budget Deadline
Feb. 10	Exhibits and Requests for School Budget Review Committee for March 14, 2017, Hearing Deadline
Feb. 15	Last Day to Bill for First Semester Special Education Tuition
Feb. 17	Determine Number of Students Participating in Whole-grade Sharing for Second Semester

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If you have suggestions for future SBA articles,  
please submit to [Marcia Krieger](#).

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